

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Gas Company for authority to update its gas revenue requirement and base rates. (U 904 G)	Application 02-12-027 (Filed December 20, 2002)
Application of San Diego Gas & Electric Company for authority to update its gas and electric revenue requirement and base rates. (U 902 M)	Application 02-12-028 (Filed December 20, 2002)
Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Service and Facilities of Southern California Gas Company and San Diego Gas & Electric Company.	Investigation 03-03-016 (Filed March 13, 2003)

**ADMINISTRATIVE LAW JUDGE'S RULING
REGARDING NOTICE OF INTENT TO CLAIM COMPENSATION**

This ruling responds to a notice of intent (Notice) filed by Utility Consumer's Action Network (UCAN) on March 25, 2003. This ruling addresses the requirements of the Pub. Util. Code, Article 5, § 1804. All statutory references are to the Pub. Util. Code. In consultation with the assigned Commissioner, I find that UCAN is eligible for compensation in this proceeding.

Under § 1804(a)(1), "[a] customer who intends to seek an award under this article shall, within 30 days after the prehearing conference is held, file and serve on all parties to the proceeding a notice of intent to claim compensation." The

second prehearing conference (PHC) in this proceeding was held on March 14, 2002. UCAN's Notice is timely filed.

Section 1804(a)(2) sets forth those items that must be addressed in an NOI. Pursuant to Decision (D.) 98-04-059, this ruling must determine whether the intervenor is a customer, as defined in § 1802(b) and identify whether the intervenor is a participant representing consumers, or a representative authorized by a customer, or a representative of a group or organization that is authorized by its bylaws or articles of incorporation to represent the interests of residential ratepayers. Once the applicable definition of customer is identified, the correct standard of "significant financial hardship" can be applied. UCAN meets the requirements of the latter definition of customer.

Only those customers for whom participation or intervention would impose a significant financial hardship may receive intervenor compensation. Section 1804(a)(2)(B) allows the customer to include a showing of significant financial hardship in the Notice. Alternatively, the required showing may be made in the request for award of compensation. UCAN makes its showing of significant financial hardship at this time. Section 1802(g) defines "significant financial hardship":

"Significant financial hardship" means either that the customer cannot without undue hardship afford to pay the costs of effective participation, including advocate's fees, expert witness fees, and other reasonable costs of participation, or that, in the case of a group or organization, the economic interest of the individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding."

UCAN meets the latter definition of customer as defined in § 1802(b), thus the comparison standard applies.¹ UCAN is a non-profit consumer advocacy organization representing the interests of residential and small commercial customers. UCAN is organized to represent and advocate the interests of its members who are residential and small commercial customers interested in minimizing the societal costs of providing electric and natural gas services. UCAN's members are customers of electric, gas, water, and telephone utilities in California. While the Commission's Office of Ratepayer Advocates (ORA) represents and must balance the interests of all ratepayers, UCAN represents the specific interests of smaller ratepayers who would not otherwise be adequately represented in this proceeding. Participation in Commission proceedings by parties representing the full range of affected interests is important. Such participation assists the Commission in ensuring that the record is fully developed and that each customer group receives adequate representation.

A rebuttable presumption of eligibility exists for UCAN. In past proceedings before the Commission UCAN has qualified for eligibility as a representative of individual and small commercial customers. UCAN has included financial information in the Notice to demonstrate that intervenor compensation is a necessary part of its budget, and an essential condition to the continued effective representation of its individual members. In addition, the cost of UCAN's participation in Commission proceedings substantially

¹ UCAN provided the relevant portions of its articles of incorporation, which have not changed since, in A. 98-02-017 and A. 99-12-024. At the present time, UCAN has approximately 33,000 members many of whom are residential or small commercial utility customers of SoCalGas and SDG&E.

outweighs the benefit to an individual customer it represents. UCAN's members are customers whose individual interests in this proceeding are small relative to the costs of participation. I find that UCAN has met the test of significant financial hardship. A finding of significant financial hardship in no way ensures compensation (§ 1804(b)(2)).

Section 1804(a)(2)(A)(i) requires Notices to include a statement of the nature and extent of the customer's planned participation in the proceeding to the extent this can be predicted. UCAN has reviewed the applications, served prehearing conference statements for both PHCs and attended both the February 7th, and March 14th 2003 PHCs. UCAN states that it will focus on most issues related to the forecast of revenue requirements and will engage several consultants. UCAN will continue to coordinate its efforts with other parties in order to minimize duplication of effort.

Section 1804(a)(2)(A)(ii) requires that Notices include an itemized estimate of the compensation the customer expects to receive. UCAN estimates a total projected budget of \$422,000 for this based on proposed hourly rates that will be addressed in its Request for Compensation. The presentation of the estimate below should in no way whatsoever be construed as ruling on its reasonableness of scope, hourly compensation, or recoverability of the various costs.

UCAN Itemized Estimate

Professional Fees

Michael Shames	(600 hours @ \$195/hour) \$117,000
Christina Mittendorf	(1,000 hours @ \$75/hour) \$ 75,000
Sapna Iyer	(700 hours @ \$100/hour) \$ 70,000

Consulting Expenses

\$ 150,000

Estimated Expenses

Other Direct Expenses.	<u>\$ 10,000</u>
------------------------	------------------

Total	<u>\$422,000</u>
--------------	-------------------------

Therefore, **IT IS RULED** that:

1. Utility Consumer's Action Network (UCAN) has met the eligibility requirements of Pub. Util. Code § 1804(a), including the requirement that it establish significant financial hardship, and UCAN is found eligible for compensation in this proceeding.
2. UCAN is a customer as that term is defined in § 1802(b) and is a group or organization that is authorized by its bylaws or articles of incorporation to represent the interests of residential and small commercial customers.
3. A finding of eligibility in no way assures compensation.
4. UCAN shall make every effort to reduce and avoid duplication of contribution.

Dated April 2, 2003, at San Francisco, California.

/s/ Douglas M. Long
Douglas M. Long
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Notice of Intent to Claim Compensation on all parties of record in this proceeding or their attorneys of record.

Dated April 2, 2003, at San Francisco, California.

/s/ Antonina V. Swansen
Antonina V. Swansen

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, *e.g.*, sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.